

[English]

Setting up of Rural banking Subsidiaries

1830. SHRIMATIBASAVARAJESWARI:
SHRI VIJAY NAVAL PATIL:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to set up rural banking subsidiaries; and

(b) if so, the details thereof and reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b). the committee on the Financial System under the Chairmanship of Shri M. Narasimha in its report has *inter alia*, recommended that each public sector bank should set up one or more rural banking subsidiaries, depending on the size, and administrative convenience of each sponsor bank, to take over all its rural branches and, where appropriate, swap its rural branches with those of other banks. so far, no decision has been taken in this regard.

Debt Relief under the Agricultural and Rural Debt Relief Scheme

1831. SHRIMATI BASAVA
RAJESWARI: Will the Minister of FINANCE be pleased to State:

(a) whether the loan waivers scheme formulated by the Government has ended;

(b) whether the benefit under the scheme was for the full loan or for a part of it;

(c) whether some State Governments have re-started the recovery of the loans after the scheme ended; and

(d) if so, the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Yes, Sir. The Agricultural and Rural Debt Relief (ARDR) Scheme, 1990 came to a close on March 31, 1991 in all the states except in Assam and Jammu and Kashmir where the scheme was closed on June 30, 1991.

(b) The ARDR Scheme envisaged debt relief to the extent of Rs. 10,000/- of the eligible loan (overdues) outstanding, as on the effective date i.e. October 2, 1989, whichever is less, to eligible beneficiaries as defined under the Scheme.

(c) and (d). The recovery of dues from borrowers by financial institutions is their normal activity and the debt relief measures announced by the Government of India do not prohibit the same. there was no stoppage of recovery efforts by banks in respect of loans not covered under the ARDR Scheme and therefore the question of re-starting recovery does not arise.

Amendment to FERA, 1973

1832. SHRIMATI BASAVA-
RAJESWARI: Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to amend the Foreign Exchange Regulation Act, 1973;

(b) if so, the details thereof and the main reasons therefor;

(c) the time by which the Act is likely to be amended; and

(d) the extent to which this is likely to facilitate the entry of foreign investments in the country?